



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1710

sports; tourism; film authority; appropriation

Purpose

Establishes the Southern Arizona Sports, Tourism and Film Authority (Authority) consisting of Greenlee, Graham, Cochise, Santa Cruz, Pima and Pinal counties. Outlines requirements for the Authority to issue revenue bonds. Appropriates \$500,000 from the state General Fund (state GF) in FY 2023 to the Office of Tourism for funding of the Authority.

Background

In 2021, the President of the Senate (President) formed the Senate Ad Hoc Committee on the Formation of a Southern Arizona Regional Sports and Tourism Authority to research and report on the formation of a southern Arizona regional sports and tourism authority ([Senate](#)).

Currently the only tourism and sports authority is established in any county that has a population of more than two million people. The tourism and sports authority is a corporate and political body and has all the rights, powers and immunities of municipal corporations, including the power of eminent domain ([A.R.S. 5-802](#)).

S.B. 1710 appropriates \$500,000 from the state GF in FY 2023 to the Office of Tourism.

Provisions

1. Establishes the Authority consisting of Greenlee, Graham, Cochise, Santa Cruz, Pima and Pinal counties.
2. Specifies that the Authority is a corporate and political body that is separate and independent from the state or the counties.
3. Grants the Authority the rights, powers and immunities of municipal corporations, except acquiring real property by eminent domain.
4. Prohibits the Authority and the Board of Directors of the Authority (Board) from levying or imposing any tax or assessment.
5. Allows qualified electors residing in the boundaries of the Authority to levy a tax for fiscal needs of the Authority but specifies that the Board has no independent authority to impose a tax.
6. Specifies that the Authority is a tax levying public improvement authority.

7. Exempts, from state and local income and property taxation, the property acquired or constructed, the activities in maintaining and caring for the property and monies derived from operating the property of the Authority.
8. Outlines the Board membership follows:
 - a) six members representing the county government of each county in the Authority, of which the Governor, President of the Senate (President) and Speaker of the House of Representatives (Speaker) each select two;
 - b) four members who reside in the Authority and have experience in outlined industries, with the Governor selecting two members and the President and Speaker each selecting one; and
 - c) three members representing Indian tribes who reside in the Authority, with the Governor, President and Speaker each selecting one.
9. Prohibits a Board member from simultaneously holding any state or local elective public office.
10. Requires the Governor, President and Speaker to make appointments to produce a general geographically diverse representation of areas in the Authority.
11. Requires a Board member to be appointed to five-year terms and allows a member to be reappointed for one full subsequent term.
12. Deems Board members eligible for compensation.
13. Requires, in appointing members, the President to appoint first, the Speaker to appoint second and the Governor to appoint third.
14. Stipulates that, when a vacancy occurs, the appointing order must commence with the officer following the officer who made the last appointment.
15. Stipulates that, if the Governor fails to make an appointment within 90 days after a vacancy, the President and Speaker must make a joint appointment to fill the vacancy.
16. Stipulates, that if the Speaker fails to make an appointment within 90 days after a vacancy, the President must make the appointment.
17. Stipulates that, if the President fails to make an appointment within 90 days after a vacancy, the Speaker must make the appointment.
18. Allows the Board to:
 - a) adopt and use a corporate seal;
 - b) sue and be sued;
 - c) enter into contracts, including intergovernmental agreements;
 - d) adopt administrative rules;
 - e) acquire, other than by eminent domain, and to operate, maintain, encumber and dispose of real and personal property and interests in property;
 - f) retain legal counsel and other consultants;

- g) acquire land or construct, finance, furnish, maintain, improve, operate, market or promote the use of amateur or professional sports, facilities, recreational facilities and other community facilities or programs located in the Authority;
 - h) construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose facility that is located in the Authority; and
 - i) issue revenue bonds.
19. Requires the Board to:
- a) appoint a Chairperson, a secretary and other necessary officers;
 - b) employ an Executive Director (Director);
 - c) keep and maintain a complete and accurate record of all of its proceedings as a public body;
 - d) provide for the use, maintenance and operation of the properties and interests owned or controlled by the Authority; and
 - e) promote tourism, the development of youth and professional sports that includes attracting amateur and professional events and promote filming opportunities.
20. Requires the Board to appoint four advisory boards consisting of members representing youth and professional sports, tourism and hospitality, film and digital media and workforce development.
21. Requires the Board members with experience in the individual field to serve as chairpersons of the advisory committees that correspond to their areas of appointment.
22. Deems the Director responsible for managing, administering and supervising the activities of the Authority.
23. Requires the Director, subject to approval of the Board, to negotiate, make, execute, acknowledge and perform contracts and other agreements in the interest of the Authority that include construction contracts and agreements with users of any facility.
24. Requires the Director to:
- a) employ a treasurer to serve as a fiscal agent to deposit, hold, invest and disburse Authority monies;
 - b) employ administrative and clerical employees, who are considered public employees, and prescribe terms and conditions of their employment to carry out the purposes of the Authority;
 - c) recommend the employment of consultants by the Board, including outside counsel and a professional facility management company; and
 - d) direct the activities of outside consultants.
25. States that members of the Board are subject to statutory requirements relating to conflicts of interest.
26. Prohibits members of the Board from having any direct or indirect financial interest in any:
- a) property owned, purchased or constructed by the Authority;
 - b) contract entered into by the Authority or private corporation; or
 - c) other entity with which the Authority contracts.

27. Prohibits a principal or lobbyist, or a person acting on their behalf, from giving a gift to any member or employee of the Board and prohibits a Board member or employee from accepting a gift from a principal or lobbyist.
28. Specifies that a gift does not include any of the following:
 - a) salary, compensation or employee-reimbursed expenses lawfully paid to a Board member or employee;
 - b) a family gift;
 - c) an award or prize that is given to competitors in a contest or event that is open to the public, including a random drawing;
 - d) any discount or other benefit that is offered to a Board member or employee;
 - e) an educational event or speaking engagement;
 - f) expenses relating to a special event or function to which all Board members are invited and are properly reported;
 - g) flowers, food and beverage;
 - h) informational material that includes a book, calendar, pamphlet, periodical, report or video;
 - i) an item that is not used and that is returned to the donor within 15 days after receipt or that is delivered to a charitable organization within 15 days after receipt that is not claimed as a charitable contribution for state and federal income tax;
 - j) an item that is given to a Board member or employee if the Board member or employee gives an item of approximately the same value to the giver of the item at the same time the original item is given;
 - k) an item of personal nature that was customarily received by an individual from the donor before the individual became a Board member or employee;
 - l) an item that is given to the general public at an event;
 - m) an item of nominal value;
 - n) nonrecreational travel or lodging;
 - o) personal hospitality;
 - p) a plaque, award or other form of recognition to a Board member or employee to signify the honorary recognition of a service or other notable accomplishment; or
 - q) professional or consulting services that are rendered on matters relating to holding a position on the Board or being an employee that are not rendered to obtain a benefit for any registered principal, public body, lobbyist, designated or authorized public lobbyist or the clients of a principal or lobbyist.
29. Allows the Board to allow and regulate the sale, use and consumption of alcoholic beverages at events held on property acquired, leased or subleased by the Authority.
30. Requires the Authority, within three months after each fiscal year, to prepare a report signed by the Director and transmit the report to the Joint Legislative Budget Committee (JLBC).
31. Requires the report to include a progress report of the activities of the Authority during the previous year.
32. Requires the Director, at the request of the Chairperson of JLBC, to appear before JLBC to report on the activities and financial performance of the Authority during the previous year.

33. Requires the Board, before June 1 of each year, to hold a public hearing to adopt a budget for the following fiscal year that includes:
 - a) receipts during the preceding fiscal year;
 - b) expenditures during the preceding fiscal year;
 - c) estimates of amounts necessary for expenses during the following fiscal year, including administrative costs;
 - d) anticipated revenue to the Authority from each source in the following fiscal year;
 - e) a complete asset and liability statement;
 - f) a statement of profit or loss;
 - g) cash on hand when the budget is adopted and the anticipated balance at the end of current fiscal year; and
 - h) an itemized statement of commitments, reserves and anticipated obligations for the following fiscal year.
34. Allows the Board to amend the budget on a finding of good cause.
35. Requires the Authority to maintain an Authority General Fund (Fund) and allows the Authority to establish accounts and subaccounts within the general fund.
36. Requires all revenues and monies received by the Authority to initially be deposited in the Fund.
37. Allows the Authority to invest any unexpended monies in the Fund as statutorily outlined and requires interest and other income from investments of mines in any account to be credited to the account.
38. Requires interest and other income from investments of monies in any account be credited to that account unless provided by current law.
39. Specifies that the Authority's investments must mature when the Fund assets will be required for purposes of investing.
40. Stipulates that if the liquid assets in the Fund or any account or subaccount become insufficient to meet the statutory obligations, the Board must direct the Authority's fiscal agent to liquidate sufficient securities to meet all of the current obligations and immediately notify the Board and the Office of the Auditor General (OAG) of the insufficiency.
41. Requires the OAG to investigate and audit the circumstances surrounding a depletion of the Fund, account or subaccount and report the findings to the Board.
42. Requires the OAG, by 2027 and at least every fifth year, to conduct a performance audit of the Authority.
43. Requires the OAG to issue a public report of the performance audit by November 30 that includes findings and specific recommendations for statutory and administrative changes to improve the operation of the Authority.
44. Requires the OAG to submit copies of the report to the Governor, President, Speaker and provide a copy to the Secretary of State.

45. Requires the Board to conduct an annual audit on each of the Authority's funds, accounts and subaccounts using an independent certified public accountant within 120 days after the end of the fiscal year.
46. Requires the Board to immediately file a certified copy of the audit to the OAG.
47. Allows the OAG to make further audits and examinations as necessary and take appropriate action relating to the audit.
48. Specifies that if the OAG takes no action within 30 days after an audit is filed, the audit is considered sufficient.
49. Requires the Board to pay negotiated and approved fees and costs of the certified public accountant and OAG from the Fund.
50. Specifies that Authority bonds:
 - a) are payable only according to their terms;
 - b) are obligations of the Authority;
 - c) are not general, special or other obligations of the state, county or any city or town located in the Authority and the Board members and persons who execute the bonds are not personally liable for the payment of the bonds;
 - d) do not constitute a debt of the state, county or city or town located in the Authority; and
 - e) are not enforceable against the state.
51. Specifies that the payment of Authority bonds is enforceable only out of any monies or assets of the Authority specifically pledged and assigned to or in trust for the benefit of the holder or holders of the bonds.
52. Allows the Board to issue bonds in a principal amount that is necessary to:
 - a) provide sufficient monies for any Authority purposes;
 - b) establish and fully or partially fund any required reserves or sinking accounts; and
 - c) issue refunding bonds to refund bonds issued by the Authority, if the Board considers refunding to be expedient.
53. Allows the Board to provide for investing and holding the proceeds of the refunding bonds in trust for the benefit of the holders of the bonds being refunded.
54. Requires the Board to authorize the bonds by resolution, which must prescribe:
 - a) revenue sources that are pledged and dedicated to secure the bonds;
 - b) rate or rates of interest, which may be fixed or variable, the date or dates on which interest is payable and the bond denominations;
 - c) date or dates of the bonds and maturity which must be within 30 years of issuance;
 - d) manner of executing the bonds;
 - e) medium and place of payment; and
 - f) terms of redemption that may provide for a premium for early redemption.
55. Requires the Board to issue the bonds in the number and amount provided in the resolution and provide published public notice within 15 days of the Board's intention to issue bonds.

56. Allows the bonds to be sold by competitive public sale, through online bidding process or at negotiated sale for public or private offering at the price and on the terms in the resolution.
57. Requires the Board, if the Authority issues bonds, to establish a Bond Proceeds Account within the Fund and the proceeds from the sale of bonds to be deposited in the Bond Proceeds Account.
58. Allows the Board to use monies in the Bond Proceeds Account only for Authority purposes.
59. Requires the Authority's fiscal agent to administer and account for the Bond Proceeds Account and the Debt Service Account.
60. Requires the Board, if the Authority issues bonds, to establish a Debt Service Account within the Fund consisting of monies designated and dedicated by the Board for repayment of the bonds and payment of costs relating to redeeming the bonds.
61. Requires the monies in the Debt Service Account to be used only for repayment and redemption of bonds.
62. Allows the Board, in connection with issuing bonds and securing the principal and interest on the bonds, to issue a resolution to:
 - a) pledge for the payment of principal and interest on the bonds, all or part of the revenues and other monies received by the Authority and deposited in the Fund, account or subaccount of the Fund;
 - b) pledge and assign to or in trust for the benefit of the holder or holders of the bonds all or part of the monies in the Debt Service Account or any other account or subaccount to secure and pay the principal, interest and any premium of bonds that is due;
 - c) segregate the Debt Service Account into one or more subaccounts and provide that bonds issued may be secured by a lien on all or part of the monies paid into the Debt Service Account or subaccount;
 - d) establish priorities among bondholders based on criteria adopted by the Board;
 - e) set aside, regulate and dispose of reserves and sinking accounts;
 - f) outline the procedure by which the terms of any contract with bondholders may be amended or abrogated;
 - g) provide for payment of bond-related expenses from the proceeds of the sale of the bonds or other revenues available to the Board;
 - h) provide for the services of trustees, co-trustees, agents and consultants and other specialized services relating to the bonds; and
 - i) take any other action that in any way enhances the security and protection of the bonds or interest on the bonds.
63. Specifies that any pledge made relating to the Authority is valid and binding from the time when the pledge is made.
64. Specifies that monies pledged to the holders of the bonds and received by the Authority for placement in the Debt Service Account are immediately subject to the lien of the pledge without further action.

65. Deems any lien of any pledge as valid and binding against all parties that have claims of any kind against the Authority regardless of whether the parties have notice of the lien.
66. Specifies that the official resolution or any instrument by which the pledge is created is notice to all concerned of the creation of the pledge when adopted by the Board.
67. Allows the Board to purchase bonds for cancellation using any available monies and prohibits the price for bonds for cancellation from being more than:
 - a) the applicable redemption price plus accrued interest to the next interest payment date if the bonds are redeemable at the time of the purchase; or
 - b) the applicable redemption price on the first date after purchase on which the bonds become subject to redemption plus accrued interest to that date if the bonds are not redeemable at the time of purchase.
68. Requires the bonds to be paid for solely from monies in the Debt Service Account.
69. Requires the Authority's fiscal agent to cancel all bonds when paid.
70. Allows the Board to authorize the Authority's fiscal agent to invest monies in the Bond Proceeds Account and invest and reinvest any monies in the Debt Service Account.
71. Requires the order directing an investment to state a date on which the proceeds from the sale of the bonds will be needed and for the Authority's fiscal agent to make the investment by the specified date.
72. Requires the Authority's fiscal agent to make the investment by the specified date.
73. Requires all monies earned as interest or other investments from the Bond Proceeds Account or Debt Service Account to be credited as outlined in the authorizing resolution.
74. Allows the monies in either the Bond Proceeds Account or Debt Service Account, at the direction of the Board, to be invested and reinvested in any of the following:
 - a) U.S. Treasury obligations;
 - b) consolidated farm loan bonds;
 - c) obligations issued by the federal intermediate credit banks or bonds for cooperatives on authority of the Farm Credit Act of 1933;
 - d) any other obligations guaranteed by the United States;
 - e) any investments that are authorized by any other agencies of the United States that are authorized to secure public deposits;
 - f) state and local government series U.S. Treasury securities;
 - g) state, county or municipal bonds issued in the state and the payments of interest have not been deferred;
 - h) investment agreements and repurchase agreements collateralized by investments outlined; and
 - i) investment agreements from providers rated in one of the two highest rating categories by a nationally recognized rating agency.

75. Requires the Authority's fiscal agent to purchase the securities and act as custodian of all securities purchased.
76. Allows the Board to place any restrictions on reinvestment yield on bond proceeds or on any monies pledged to pay the bonds if necessary to comply with federal income tax laws and regulations to gain any tax benefits available.
77. Requires monies derived from the sale of bonds to be deposited by the Authority's fiscal agent in Board designated financial institutions that are insured by an agency or instrumentality of the United States.
78. Stipulates that the deposit of monies from the sale of bonds does not limit the power of the Board to agree in connection with issuing any of its bonds as to the custody and disposition of the monies received from selling bonds or from the income and revenues pledged or assigned to or in trust for the benefit of the holder or holders of the bonds.
79. Specifies that the bonds issued are fully negotiable within the meaning of the Uniform Commercial Code, subject only to registration provisions regardless of whether the bonds constitute negotiable instruments under the Uniform Commercial Code.
80. Exempts the bonds, their transfer and the income from the bonds from state taxation.
81. States that bonds issued are securities:
 - a) that all public and private institutions that are authorized to invest in government obligations may properly and legally invest; and
 - b) that may be deposited with state, city and political subdivisions for the purposes that require the deposit of government bonds or obligations.
82. Specifies that issued bonds remain valid and binding obligations of the Authority, notwithstanding a person whose signature appears on the bonds ceasing to be an officer of the Authority before delivery of the bonds.
83. States that an amendment of the statutes governing the Authority does not diminish or impair the validity of bonds issued under the Authority or the remedies and rights of bondholders.
84. Specifies that the state pledges to and agrees with the holders of the bonds authorized by the Authority and that the state will not limit, alter or impair the rights vested in the Authority to receive the monies necessary to fulfill the terms of any agreements made by the holders of the bonds or impair the rights and remedies of the bondholders until all issued bonds are fully met and discharged.
85. Allows the Board, as an agent for the state, to include the pledge and undertaking in its resolutions and indentures authorizing and securing Authority bonds.
86. Grants the Authority the full authority for authorizing and issuing bonds and specifies no other law regarding authorizing or issuing obligations or that in any way impedes or restricts the performance of the authorized acts applies to any proceedings taken.

87. Specifies that the validity of bonds issued by the Authority does not depend on and is not affected by the legality of any proceeding relating to acquiring, constructing, improving, operating or maintaining a stadium or multipurpose facility for which the bonds are issued.
88. Allows the Board to submit any issued bonds to a nationally recognized bond counsel after all proceedings for authorizing the bonds have been completed.
89. Requires the nationally recognized counsel, on submission, to examine and pass on the validity of the bonds and the regularity of the proceedings.
90. Requires the nationally recognized counsel, if the proceedings comply with statutory requirements and if the bonds will constitute binding and legal obligations of the Authority, to certify on the back of each bond that the bond is exempt from state taxation.
91. Requires the bonds to recite that they are regularly issued and alone with the counsel certification constitutes prima facie evidence of the legality and validity of the bonds.
92. Deems the bonds incontestable by the state and the Authority from and after the sale and delivery.
93. Appropriates \$500,000 from the state GF in FY 2023 to the Office of Tourism for funding of the Authority and exempts the appropriation from lapsing.
94. Defines *advisory board*, *authority*, *board*, *Indian tribe*, *authority purpose*, *bond* and *online bidding*.
95. Becomes effective on the general effective date.

Prepared by Senate Research

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